STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH 100 NORTH SENATE AVENUE N1058(B) INDIANAPOLIS, IN 46204 PHONE (317) 232-3777 FAX (317) 232-8779

April 10, 2008

The Honorable Carol McDaniel LaPorte County Assessor 555 Michigan Avenue, Suite 204 LaPorte, IN 46350

Mr. Shaw R. Friedman Friedman & Associates P.C. 705 Lincolnway LaPorte, IN 46350

Mr. Thomas M. Atherton Bose McKinney & Evans, LLP 135 North Pennsylvania Street Indianapolis, IN 46204

Dear Ms. McDaniel and Gentlemen:

This letter is to notify you of the results of the new ratio study created by the Department of Local Government Finance ("Department") from the 2006-pay-2007 tax billing/Auditor data submitted to the Department by LaPorte County, and the results of the Mann-Whitney test performed by the Department on the assessments for sold and unsold improved residential parcels for 2006-pay-2007 in LaPorte County. Based upon the results of the Department's analysis, there appears to be inequity in the assessments in some townships in LaPorte County.

First, as promised in our December 21, 2007 letter to both parties, the Department created a new ratio study. This ratio study was created using the final Nexus 2006-pay-2007 ratio study matched with the LaPorte County Auditor's tax billing file for 2006-pay-2007, which was submitted to the Department on or about December 3, 2007. The Department found that the assessed values on several of the parcels Nexus used in their 2006 ratio study did not match the assessed value billed by the LaPorte County Auditor. Also, the Department's new ratio study found the following non-conforming medians, CODs, and PRDs:

Springfield (improved residential) outside COD range; Noble (improved residential) outside PRD range; Galena (vacant residential) outside PRD range; Hanna (vacant residential) outside PRD range; Hudson (vacant residential) outside median, COD, and PRD ranges; Noble (vacant residential) outside PRD

The Honorable Carol McDaniel Mr. Shaw R. Friedman Mr. Thomas M. Atherton April 10, 2008 Page 2 of 3

range; Scipio (vacant residential) outside PRD range; Springfield (vacant residential) outside PRD range; Center (improved commercial) outside PRD range; Michigan (improved commercial) outside PRD range; and LaPorte County, as a whole, (vacant commercial) outside COD range.

Second, to address the "sales chasing" allegations raised numerous times by Mr. Wendt, Mr. Atherton, and Mr. Denne, the Department conducted the Mann-Whitney test to determine whether there were significant differences between the assessments in sold and unsold improved residential parcels in LaPorte County. The Department's Mann-Whitney test revealed the likelihood that sold and unsold improved residential parcels were not treated equally in nine (9) of the nineteen (19) tested townships in LaPorte County.

The Mann-Whitney test is a recommended statistical measure by the International Association of Assessing Officers (IAAO) 1999 Standard on Ratio Studies (IAAO Standard) to determine whether there is horizontal equity between two (2) or more property groups; in other words, to check to see whether two or more property groups are appraised at the same percentage of market value. IAAO Standard 10.1 requires assessing officials to "ensure that sold and unsold parcels are treated equally." It further states that, "if unsold properties are not appraised consistently with sold properties and applicable guidelines, unadjusted sales ratio results cannot be used."

50 IAC 21-3-1 requires "local assessing officials" to perform "all ratio studies using the methods or combination of methods acceptable under the Standard on Ratio Studies published by the International Association of Assessing Officers (IAAO Standard) or other acceptable methods approved by the Department." Thus, by conducting the Mann-Whitney test, the Department is abiding by the IAAO Standard to determine whether sold and unsold improved residential parcels in LaPorte County were equally assessed.

IAAO Standard 10.2 states that, for example, if values for sold parcels in a given stratum increased an average of ten percent (10%) while values for unsold parcels in the same stratum increased an average of only two percent (2%), "sales chasing" probably exists. The Standard further states that, at a more sophisticated level, one can compare the distribution of value changes for sold and unsold parcels or use statistical tests to determine whether the distributions are different at a given level of confidence. IAAO Standard 10.3 recommends use of the Mann-Whitney test to determine whether differences are "significant." Based upon the results of the Department's Mann-Whitney test, sold and unsold improved residential parcels were not equally assessed in nine (9) LaPorte County townships for 2006-pay-2007.

Attached to this letter is the new ratio study created by the Department and the results of the Mann-Whitney test conducted by the Department. I believe it is critically important that all parties meet to discuss the findings and a possible resolution to this matter as soon as possible. As of this date, I am available to meet with both parties on the afternoon of Friday, April 11 and

The Honorable Carol McDaniel Mr. Shaw R. Friedman Mr. Thomas M. Atherton April 10, 2008 Page 3 of 3

in the afternoons of Monday, April 14, Tuesday, April 15, and Wednesday, April 16. I am hoping both parties will come to Indianapolis to discuss this matter with an open mind and fresh ideas to resolve this situation in LaPorte County in a timely manner.

Please call my assistant Linda Ebert at (317) 232-3775 or email her at liebert@dlgf.in.gov to let us know your earliest availability. It is my intention to have all of the interested parties gather together at the Department to discuss the results of the attached analyses.

If you have any other questions or concerns, please feel free to contact the Department's General Counsel, Timothy J. Rushenberg, at (317) 233-6770 or trushenberg@dlgf.in.gov.

Sincerely,

Cheryl A.W. Musgrave

Commissioner

Attachments:

1. Department's LaPorte Ratio Study, 2006-pay-2007 tax billing data, April 9, 2008 (3 pages)

2. Department's Mann-Whitney test results, April 9, 2008 (6 pages)

cc: Marilyn Meighen

	٦							# of Years	_		
			,	,	:			# Of Tears		From DLGF	
Vacant Residential	ľ		Fr	om Submi	From Submitted Study			N		files	
Township	Group #	Median	DLGF Calculated Median	COD	DLGF Calculated	PRD	DLGF Calculated PRD	Sales Used	per year	# of Parcels	per year # of Parcels Sales Used / Parcels
Cass		***************************************	92,37%		18.26		1 0303	9	2.5	100	2007
Center			98.42%		18 27		1 0315	97	40.5	2208	0.047
Clinton			96.50%		15.69		10188	28	10.0	2022	0.044
Coolspring			98.24%		7.32		10189	48	24	1310	0.192
Dewey			93.55%		5,08		0.9958	7	2 2 4	175	0.040
Galena			98.68%		16.72		1.0523	18	9	553	0.033
Hanna			94.61%		19.75		1.0799	10	5	113	0.088
Tobacon Tobacon			89.33%		40.63		1.2131	23	11.5	1412	0.016
Vactorio	I							٥	0	7	0.000
TO STANCE	1		96.65%		21.24		1.0362	36	17.5	504	0.069
Michigan	1		100.00%		10.00		1.0267	5	2.5	1825	0.003
Now Dirhom	1		37.10%		14.62		1.0377	99	49.5	3712	0,027
Nobio	İ		100.00%		10.75		1.0092	33	16.5	389	0.085
Dioses			90.20%		16.06		1.0400	4	2	142	0.028
Project			93.90%		17.44		0.9431	12	6	286	0.042
Cobio			97.01%		0.12		1.0000	نىئ	1.5	20	0.150
Springfield	1		93.70%		14.10	-	1.0364	39	19.5	353	0.110
Spingheld			107.82%		15.83		0.9308	13	6.5	788	0.016
Washington	1		108.79%		13.95		0.9965	5	2.5	317	0.016
Wille	1		90.48%		14.96		1.0097	12	6	182	0.066
11100	1		90.73%		12.80		1.0262	11	5.5	177	0.062
TOTALS		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,						211	0		
GROUP								-	200.0	14703	0.035
									-		

Prepared by:		EDD 3 25 08	3		STUDY USING TAX BILL ASSESSED VALUES	AX BILL /	ASSESSED VALU	ES			
								The same of the sa			
-	1_							# of Years			al bases on the bases of the Committee o
Improved Residential			F	om Subm	From Submitted Study			2		files	
Township	Group	Median	DLGF Calculated Median	COD	DLGF Calculated COD	PRD	DLGF Calculated PRD	Sales Used	per year	per year # of Parcels	Sales Used / Parcels Yearly
Cass			98,48%		9.84		1.0045	28	14	546	0.008
Center			99.47%		10.83		1.0127	784	392	8494	0.048
Clinton			98.68%		6.85		1.0030	31	15.5	389	0.040
Coolspring			101.63%		10.34		1.0237	168	48	4174	0.020
Dewey	\downarrow		101.64%		10.10		0.9952	22	11	344	0.032
dance	1		101.26%	-	12.56		1.031	23	11.5	602	0.019
Lideon	1		102.07%		10.30		1.0181	6	8	314	0.025
Johnson	1		107.60%		11.66		1.0253	26	13	981	0.013
Kankakee			103 56%		0.22		1 0053	7,6	27	34	0.029
Lincoln			97.17%		8.26		1.0116	31	15.5	1838	0.002
Michigan			98.93%		7.04		1.0172	581	290.5	10732	0.027
New Durham	L		100.71%		9.67		1.0135	74	37	1120	0.033
CODE			100.80%		9.87		1.0379	18	9	472	0.019
Prairie	1		100.48%		9.33		1.0058	86	43	1025	0.042
Scipio			99.27%		6.44		1 0057	B	2 4 46	1303	0.000
Springfield			98.18%		17.75		1.0333	72	27	1288	0.021
Union			94.84%		10.52		1.0038	30	15	764	0.020
vescingion			97.95%		7.39		1.0060	14	7	365	0.019
71110	1		101.01%		5.35		1.0138	10	On On	412	0.012
OTALS						***************************************		31,4	1070 6	26360	200
GROUP								1	.0,0,0	20200	0.028
a Car						-					

Coup Median Cut	COUP Median COUP Median COUP COO C	Dictor D	Improved Commercial			T	om Subm	From Submitted Study			# of Years		From DLGF files	
		14.20. 10.418 48 48 48 48 48 48 48	Township	Group	1	DLGF Calculated Median	COD	DLGF Calculated	- 1	DLGF Calculated PRD	100		# of Parcels	Sales Used / Parcels
	14.20 1.0418 48 24 464 46 46 46 46 46 4	14.20 10.116 48 721 10.2	Cass					1			0	0	62	0.000
			Center	T		99.49%		14.20		1.0418	48	24	845	0,057
			Clinton								_	0.5	15	0.067
			Coolspring			99.18%		12.00		0.9794	27	13.5	342	0.079
Promision (1.00 col)% (1.00 col)			Dewey								٥!	0	34	0.00
From Submitted Study			Galena								o.	o č	16	0,000
100 100		100,000% 13,51 1,0910 73 38 5 658	Hanna								0	0,	22	0.000
From Submitted Study From Di.GF Identified PRD Calculated PR	13.51 1.0910 73 36.5	100,00% 10,00% 10,00% 10,000 74 72 36,5 66,6 75 76,000 76 76,000 76	Hudson									0.5	25	0.040
100,007% 10,890 10,890 10,293 17 39 60,890 10,990	PRD		Johnson]]	O.C	7	240.0
# COLOUTYS. 10,509 10,207 10,2	Prom Submitted Study 10,007% 10,007 10,0	PRD	Kankakee								٥٤	40	200	0.000
100 00% 100 00% 100 00	100.00% 13.51 1.0910 73 38.5 686 2.2 2	100.00% 100.00% 10.00%	Lincoln								الد	0 -	Ani	0.010
anship Coup Median Coulows Total To	100,007% 16,89 100,007% 16,89 100,007% 100,007% 16,89 100,007% 100,007% 16,89 100,007% 100,007% 16,89 100,007% 10	From Submitted Study From DLGF Substance From DLGF Submitted Study From DLGF Submi	Michigan			99.54%		13.51		1 0010	300	200	14/	0.000
orcial From Submitted Study PRD Calculated PRD Sales Used Dayyear # of Years From DLGF for Canada PRD Calculated PRD Sales Used Dayyear # of Percuss D DLGF Canada PRD Calculated PRD Sales Used Dayyear # of Percuss D DLGF Canada PRD Sales Used Dayyear # of Percuss D DLGF Canada PRD Sales Used Dayyear # of Percuss D DLGF Canada PRD Sales Used D Dayyear # of Percuss D DLGF Canada PRD Sales Used D Dayyear # of Percuss D DLGF Canada PRD Sales Used D Dayyear # of Percuss D DLGF Canada PRD Sales Used D Dayyear # of Percuss D DAYYEAR D D	Prom Submitted Study From DuGF file From Submitted Study From DuGF file From Submitted Study From DuGF file From DuGF file From DuGF file From DuGF file From Submitted Study From DuGF file From DuGF file From Submitted Study From DuGF file From DuGF file From Submitted Study From DuGF file From Submitted Study From Submitted Study From DuGF file From Submitted Study From DuGF file From Submitted Study From DuGF file From DuGF file From Submitted Study From DuGF file	arcial From Submitted Study PRD Calculated PRD Sales Used 9 1,0283 117 8 83 2456 19 10 0.5 10	New Durham			00,0.,0		10.01		ויסוט	-[6	30.0	000	0.111
	arcial From Submitteed Study From Submitteed		Noble					+			; A	2	82	0.049
100,007% 16,899 1,0283 17 0,5 2.5 0,0 0,5 1,0 0,5 1,0 0,5 1,0 0,5 1,0 0,5 1,0 0,5 1,0 1,0 0,5 1,0 1,0 0,5 1,0 1,0 0,5 1,0 1,0 0,5 1,0	Total Tota	erdal From Submitted Study From Submitted From Submitted From Submitted From Submitted Study From Submitted Study From Submitted Study From Submitted From Submitted From Submitted From Submitted Study From Submitted Study From Submitted From Subm	Dieasant		-						С	0	26	0.000
Total Tota	1 0.0 0.5 0.9 1.0.5 0.9	100,00% 16,89 1,0263 17 1 0,5 29 1,0263 17 1 0,5 29 1,0263 17 1 0,5 36 36 36 36 36 36 36 3	Ticabalit	I							Մ	2.5	34	0.147
Total Study	From Submitted Study # of Years From DLGF	Tourn Tour	Praine								>	0.5	0	
From Submitted Study From DLGF IN Submitted Study From Submitted Study From Submitted Study From Submitted Study From DLGF IN Submitted Study From DLGF IN Submitted Study From Submitted Study	From Submitted Study From DLGF CoD DLGF COD DLGF	Total Prom Submitted Study	Scipio									0.5	30,	760 0
From Submitted Study From DLGF (Not Submitted Study From	100,000% 18,89 1,0283 17 83 2466 100,000% 18,89 1,0283 17 83 2466 100,000% 18,89 1,0283 17 83 2466 1,0283 17 83 2466 1,0283 17 83 2466 1,0283 17 83 2466 1,0283 17 83 2466 1,0283 17 1,0283 1,000 1,0283 1	Tourn Tour	Springfield						-			0.0	87	0.034
Trom Submitted Study	From Submitted Study # of Years From DLGF	From Submitted Study # of Years From DLGF	Union								- -	0.5	46	0.022
From Submitted Study From DLGF International Cob	Total Code Tot	100,00% 16,89 10293 17 35 16,89 100,00% 16,89 100,00% 16,89 100,00% 16,89 100,00% 16,89 100,00% 16,89 100,00% 16,89 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 100,00% 17,428 1	Washington									0.0	B.L	0.053
Tourn Dicar	Tou Dough Tou	Trom Submitted Study	Wille									0.5	35	0.029
100.00% 16.89 10293 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 2456 3 17 3 3 3 3 3 3 3 3 3	Tou Dice From Submitted Study From Dice From D	Tour Submitted Study	Silla								0	0	10	0.000
100,00% 16,89 10293 17 3 2435 17 3 2435	100.00% 16.89 10293 17 3 2456	100,00% 16,89 10293 17 3 2455 100,00% 10,89 10,293 17 3 2455 10,293 17 2 2 2 2 2 2 2 2 2										0		
Tourist Tour	TOURDOWN 16,89 1,0283 17 17 17 17 17 17 17 1	100.00% 16.80 10293 17 17 17 17 17 17 17 1	TOTALS								188	P. C	SARC	0000
# of Years From DLGF	From Submitted Study # of Years From DLGF	From Submitted Study # of Years From DLGF	GROUP			100.00%		16.89		1 0203	17	ę	2400	0,000
From Submitted Study From Submitted Study From Submitted Study DLGF COD	From Submitted Study	From Submitted Study From Submitted Study From Submitted Study From Submitted Study From DLGF aliculated PRD Calculated PRD Calculated PRD Calculated PRD Calculated PRD Calculated PRD CAD CAD CAD CAD CAD CAD CAD CAD CAD CA	GROUP			100.0074		10,00		1.0230	1			
From Submitted Study	From Submitted Study	From Submitted Study From Submitted Study From DLGF Galculated PRD Calculated P												
From Submitted Study	From Submitted Study	From Submitted Study												
From Submitted Study Corpur Median Corpurated C	Coup Median Cod DLGF COD DLGF COD	From Submitted Study □ DLGF Calculated PRD COD COD COD COD COD COD COD COD COD CO		٦							# of Years		From DLGF fl	es
Group # Median Median COD COD DLGF COD Calculated COD PRD Calculated PRD Sales Used Calculated PRD DLGF DEFYEAT # of Parcels 73.45% 74.28 0.9889 5 1.9868987 22 0 17 0.9889897 274 0.9889897 274 1 0.3333333 16 1 0.3333333 38 0 1 0.3333333 38 0 12 1 0.3333333 16 0 129 12 1 0.3333333 6 0 129 12 1 0.3333333 6 0 12 0 1 0.3333333 6 0 12 0 1 0.3333333 6 0 0 12 1 0.3333333 6 0 0 0 12 1 0.3333333 6 0 0 0 13 2 0.0000 0 0	Group # Median Calculated Median COD COD DLGF COD Calculated COD PRD Calculated PRD Sales Used One president Calculated PRD Sales Used One president Calculated PRD DLGF COD # of Parcels 0 # of Parcels 28 73.45% 74.28 0.9889 5 1.8686897 427 1 0.9689 5 1.8686897 274 2 0.6686897 274 0 3 1 0.3333333 16 4 1 0.33333333 38 5 1 0.33333333 38 7 2 0.8686897 228 2 0.8686897 28 2 0.83333333 38 3 1 0.33333333 38 3 1 0.33333333 16 4 1 0.33333333 16 98.63% 3.64 0.9345 12 4 1742 98.59% 28.65 1.0198 11 1.66868667 1742	Group # Median COD CoDD DLGF CODD DLGF CAIGUIAted PRD Sales Used DLGF CAIGUIAted PRD # of Parcels 73.45% 74.28 0.9889 5 1.9686967 427 0 1.0333333 0.000 11 1 0.3333333 0.000 12 2 0.9898967 224 0.000 17 3 0 1 0.3333333 38 0 1 0.3333333 38 0 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.3333333 0.00 1 0.00 0.00	Vacant Commercial			Fr	om Subm	litted Study			٠			
# Median Calculated PRD Calculated P	# Median Colon Colon Colon (Colon Median Colon (Colon Median Colon (Colon Median Colon (Colon Median Colon (Colon	# Median Calculated PRD Calculated P		Groun		DLGF		200		2				
73.45% 74.28 0.9889 5 1.96969667 427 73.45% 74.28 0.9889 5 1.96969667 427 2 0.96968657 274 2 0.96968657 274 3 1 0.3333333 16 3 1 0.3333333 16 2 0.96969667 229 1 1 0.3333333 3 38 2 0 0 0 129 0 0 0 134 0 0 0 0 15 1 0.3333333 6 0 12 0 0 0 134 1 0.3333333 6 0 12 0 0 0 134 1 0.3333333 6 1 0 0 0 0 134 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	73.45% 74.28 0.9889 5 1.9669867 427 427 427 428 73.45% 74.28 0.9889 5 1.9669867 427 427 427 427 427 427 427 427 427 42	73.45% 74.28 0.9889 5 1.96969667 274 28 0.9889 5 1.96969667 427 427 428 0.9889 5 1.96969667 274 174 174 174 174 174 174 174 174 174 1	Township	eroup		Calculated Median	60	DLGF Calculated COD	PRD	DLGF Calculated PRD	Sales Used			Sales Used / Parcels
73.45% 74.28 0.9669 5 1,6666667 427 2 0.966967 274 2 0.9668667 274 3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	73.45% 74.28 0.9669 5 1.6666867 427 73 73 74 75 75 75 75 75 75 75 75 75 75 75 75 75	73.45% 74.28 0.9669 5 1,6666667 427 73 74.28 2 0.9666667 274 75 75 75 75 75 75 75 75 75 75 75 75 75	Cass		4							\neg	# or Parcels	0000
2 0.6668667 274 2 0.6668667 274 3 2 0.6668667 274 3 2 0.6668667 274 3 3 0 11 1 0.3333333 16 3 1 0 26 1 0 3333333 16 3 1 0 0 11 1 0.3333333 16 3 1 0 0 0 12 2 0.6666667 529 0 0 129 0 0 134 0 0 0 0 134 0 0 0 0 134 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	20.0909067 274 2 0.9969867 274 3 1 2 0.9969867 274 3 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 0.3333333 16 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 0.6668667 274 2 0.6668667 274 3 2 0.6668667 274 3 2 0.6668667 274 3 3 0 11 1 0.3333333 16 3 1 0 11 1 0.3333333 16 3 1 0 11 1 0.3333333 16 3 1 0 12 2 0.6666667 529 3 1 0 134 3 1 0 1333333 16 3 1 0 12 3 1 0 12 3 1 0 12 3 1 0 1333333 16 3 1 0 12 3 1 0 12 3 1 0 1333333 16 3 1 0 12 3 1 0 12 3 1 0 1333333 16 3 1 0 12 3 1 0 12 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Center			73.45%		74 28		0 9889	лс	1 8888887	437	0.000
2 0.66686667 274 2 0.66686667 274 0 17 1 0.3333333 0 1 1 1 0.3333333 3 3 3 1 1 1 0.3333333 3 3 3 3 3 3 3 4 1 0.333333 3 5 2 0.6669667 229 1 0.3333333 6 1 0 0 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 131 0 131 0 151 0 17 1 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2 0.56686867 274 2 0.56686867 274 0 24 0 24 1 0.3333333 16 0 11 1 0.3333333 38 1 0 0 2 0.5656667 529 0 0 129 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 120 0 121 1 0.3333333 0 6 0 0 129 0 0 129 0 0 129 0 120 0 121 1 0.3333333 0 6 1 0 0 0 129 0 0 129 0 0 129 0 0 129 0 120 0 121 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 15 1 0 0 0 0 15 1 0 0 0 0 15 1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2 0.66686667 274 2 0.66686667 274 0 17 1 0.3333333 0 1 1 1 0.3333333 0 1 1 2 0.6669667 224 1 0.3333333 0 0 12 2 0.6669667 224 1 0.3333333 0 0 129 12 12 14 1742 98.95% 28.95 11.0666867 1742	Clinton					7.50		0.0000	l	1.00000007	124	210.0
2 0.5668667 274 274 0 17 0 24 0 24 1 0.3333333 16 1 0.3333333 16 1 0.3333333 3 36 2 0.5656667 529 2 0.5656667 529 0 129 0 0 134 0 0 134 0 0 134 0 0 0 134 0 0 0 134 0 0 0 134 0 0 0 0 134 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	2 0.9868867 274 0 17 0 27 0 17 0 27 0 17 0 27 0 27 0 27 0 27 0 27 0 27 0 27 0 2	2 0.5668667 274 0 17 0 24 0 24 0 24 0 24 0 27 0 11 1 0.3333333 16 0 10 1 0.3333333 3 38 0 26 0 12 2 0.5656667 529 0 12 0 0 134 0 0 0 134 0 0 0 134 0 0 0 134 0 0 0 134 0 0 0 0 134 0 0 0 0 134 0 0 0 0 134 0 0 0 0 134 0 0 0 0 134 0 0 134 0 0 134 0 0 134 0 0 134 0 134 0 134 0 135 0 136 0 136 0 136 0 137 0 138 0	Coolearing	1								0	13	0.000
0 17 0 24 1 0.33333333 16 1 1 0.33333333 18 1 0 0 0 28 2 0.6666667 228 2 0.6666667 1742 0 0 0 0 0 0 0 0 12 1 0.3333333 6 1 0 0 0 0 0 12 1 0.3333333 6 0 12 1 0.3333333 6 0 18 0 0 18 0 0 18 0 0 0 18 0 0 0 18 0 0 0 18 0 0 0 0 0 7 12 4 1742 0 0 6666667 1742	0 17 0 24 0 14 0 25 0 17 0 26 0 17 0 18 0 1 0.3333333 38 0 16 0 0 17 0 0 0 0 0 0 0 0 129 0 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 0 129 0 0 129 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 0 129 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 17 0 24 1 0.3333333 16 1 1 0.3333333 38 1 1 0 0 1 1 0.3333333 38 28 28 29 2 0.66666667 229 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 129 0 0 129 0 134 0 12 4 1742 0 20 0 7 7 12 4 1742 0 166666667 1 166666667 1 166666667	Johner	1								0.66666667	274	0.007
0 24 1 0.3333333 16 1 0.3333333 16 1 0.3333333 38 0 0 0 0 0 12 0 0.6666667 1742 0 0.6666667 1742	0 24 0 11 0 3333333 16 0 17 1 0 3333333 16 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 24 1 0.3333333 16 0 11 1 0.3333333 16 0 0 0 0 0 28 1 0.3333333 38 0 0 0 28 2 0.9898987 229 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 129 0 0 134 0 0 0 134 0 0 0 134 0 0 0 134 0 0 0 77 0 20 0 20 0 19 0 19 0 19 10 19 11 19698987 28 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Dewey	Ī								0	17	0.000
1 0.3333333 16 1 0.33333333 16 2 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 0.3333333 16 16 17 17 18 18 18 18 18 18	1 0.3333333 16 1 0.3333333 16 2 0 0 2 0.6666667 529 2 0.6666667 174 2 0.6666667 174 2 0.6666667 174	Jaiena									0	24	0.000
1 0.333333 16 0 1 0.3333333 16 0 0 129 0 0.666667 529 0 0 129 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 129 0 0 0 0 129 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 0.333333 16 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 0.3333333 16 0 0 1 0.3333333 38 0 0 0 0 26 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Hanna									0	11	0.000
0 0 0 0 1 0,33333333 38 2 0,6656667 529 2 0,6656667 529 0 129 1 0,3333333 6 1 0,3333333 6 0 18 0 18 0 19 0 19 0 19 1 0,33333333 6 0 18 0 18 0 19 12 14 17 17 18 19 18 19 18 19 19 19 19 19 19 19 19 19 19	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	98.95% 26.85 1.09845 1 1.09333333 38 9 1 0 3333333 38 9 2 1 0 33333333 38 9 2 2 0.9656667 7529 9 10 10 10 10 10 10 10 10 10 10 10 10 10	Hudson								1	0.33333333	16	0.000
1 0.3333333 38 2 0 0.000000000000000000000000000000000	1 0.3333333 38 2 2 0.6656667 529 2 0.6656667 529 2 0.6656667 529 2 0.6656667 529 2 0.6656667 529 2 0 0.6656667 529 2 0 0 0 129 2 0 0 0 18 2 0 0 194 2 0 0 15 2 0 0 77 2 12 4 1742 2 165666667 10786 11 1.66666667	1 0.3333333 38 2 0 0.000000000000000000000000000000000	Johnson								-	0.000000	٥	0.000
1 0.333333 38 26 2 0.666667 529 2 0.6666667 529 3 0 129 3 0 0 134 3 0 0 0 134 3 0 0 0 0 134 3 0 0 0 0 0 15 3 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 0.333333 38 2 0 26 2 0.6666667 529 3 0 0 0 0 129 3 1 0.3333333 6 3 1 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	1 0.333333 38 26 2 0.666667 529 2 0.6666667 629 0 129 0 129 0 16 1 0.3333333 6 0 18 0 0 18 0 0 18 0 0 134 0 0 134 0 0 134 0 0 77 1 0.3333333 6 1 12 4 1742 98.65% 28.85 1.0666667 174	(ankakee									c	c	
2 0.98599867 7.29 2 0.98599867 259 0 129 0 129 1 0.3333333 6 1 0.33333333 0 0 18 0 0 134 0 0 15 0 20 7 12 98.83% 3.64 0.9345 15 1.6669867 1742	2 0.6666667 529 0 0 129 0 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 134 0 0 15 0 15 0 0 15 0 0 15 0 0 15 0 0 15 0 0 15 0 0 15 0 0 174 0 0 77 0 0 174 0 0 20 0 77 0 0 174 0 0 20 0 174 0 0 20 0 174 0 0 20 0 174 0 0 20 0 174 0 1742 0 0.5945 5 1.66668667	2 0.98599667 529 0 129 0 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 130 0 18 0 0 18 0 0 0 18 0 0 18 0 0 0 18 0 0 0 15 0 20 7 28.85 1.0686867 1742	incoln								-	0.33333333	38	0.026
2 0.6666667 529 0 129 0 129 0 129 0 129 0 129 0 13333333 6 0 0 12 0 0 0 134 0 0 0 134 0 0 0 20 0 129 0 20 0 20 0 20 0 20 0 20 0 20 0 20 0	2 0.666667 529 0 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 1333333333333333333333333333333333333	2 0.6666667 529 0 129 0 129 0 129 0 129 0 129 0 129 0 129 0 13333333 6 0 0 18 0 0 0 18 0 0 134 0 0 0 15 0 0 20 7 7 98.63% 3.64 0.8945 5 1.6666667 1742 98.65% 26.85 1.0956 11	- Incom		-							0	26	0.000
0 0 129 1 0,3333333 6 1 0,33333333 6 0 18 0 19 0 19 10 19 11 12 0 19 15 16 16666667 1742	95.95% 28.85 1.0186 11 1.66688667 0 129	0 0 129 1 0.3333333 6 1 0.33333333 6 0 18 0 18 0 0 134 0 0 0 15 0 0 0 15 0 0 0 7 12 0 0 20 7 12 4 1742 96.95% 28.85 1.0686867 1742	vichigan								2	0.66666667	665	0 004
1 0 3333333 0 0 12 1 0 33333333 0 0 18 0 0 0 18 0 0 0 134 0 0 0 15 0 0 0 7 0 7 0 0 0 7 0 0 0 7 0 0 0 7 0 0 0 7 0 0 0 0	1 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	98.53% 3.64 0.9345 5 1.66666667 1742 98.53% 2.8 65 1.0196 111	New Durham								•	0.000000	200	0.004
1 0,33333333 6 6 0 18 0 19 18 0 19 18 0 19 18 0 19 19 19 19 19 19 19 19 19 19 19 19 19	1 0,3333333 6 6 7 7 7 7 7 7 7 8 8 8 8 9 8 8 9 8 9 8 9 8	1 0,33333333 6 0 18 0 0 18 0 0 19 18 0 0 19 18 0 0 20 0 20 7 28,85 1,6686867 1742 28,85 1,16686867 1742	Vioble									0	871	0.000
1 0.3333333 6 0 0 18 0 0 18 0 0 18 0 0 194 0 0 15 0 15 0 1	1 0.3333333 6 0 0 0 0 18 0 18	1 0.3333333 6 0 0 18 0 19 19 19 19 19 19 19 19 19 19 19 19 19	Tion of									0	12	0.000
0 0 18 0 19 0 19 0 19 0 19 15 0 20 7 12 0 7 12 4 1742 09 85% 3.64 0.9345 5 1.6689867 1742	96.95% 3.64 0.9345 5 1.66686667 0 18 0 0 0 134 0 0 0 15 0 0 0 15 0 0 0 0 0 0 0 0 0 0 0	99.85% 3.64 0.9345 11 1.66669667 1742 28.85 1.10186 111	reasant								-1	0.3333333	6	0.167
0 0 18 0 0 134 0 0 0 15 0 0 20 0 20 0 7 12 4 1742 00 0000000000000000000000000000000000	98.53% 3.64 0.9945 1.0196 11 1.66698667 0 0 18 0 0 18 0 0 1	98.53% 3.64 0.9945 17 1.69686667 1742 98.95% 28.85 1.0968667 111	Prairie									0.00000		0.107
0 0 18 0 194 0 0 15 0 0 20 0 7 12 4 1742 98.63% 3.64 0.8345 5 1.66668667 1742	95.95% 28.85 1.0186 11 0 0 0 18	98.83% 3.64 0.9345 12 4 1742 98.85% 28.85 1.0198 11	Scipio									c	c	
98.83% 3.64 0.9345 12 4 1742 On or	0 0 134 0 15 0 0 15 0 20 0 7 0 7 0 7 0 18 0 19 0 19 0 19 0 19 0 19 0 19 0 19 0 19	98.53% 3.94 0.8945 15 1.66686667 1742 28.85 1.01986 11	cipio									0	18	0.000
98.53% 3.64 0.8345 12 4 1742 O.65666667 1742	96.83% 3.64 0.9345 5 1.66686667 11 14 1742	96.83% 3.64 0.9945 5 1.66686667 11 1 1 1 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Springfield									,	200	0.000
98.85% 3.64 0.9345 12 4 1742 On or	98.85% 3.64 0.8945 5 1.66686667 15 15 1.66686667	99.95% 3.64 0.9345 12 4 1742 96.95% 28.85 1.06668667 11	laion	1							c	0	134	0.000
98.53% 3.64 0.8345 12 4 1742 On 57 On 56 O	96.53% 3.64 0.9345 12 4 1742 95.93% 28.85 1.0186 11 1.66686657	96.83% 3.64 0.9945 5 1.66686667 195.95% 28.85 1.0196 11	Judi									0	15	0,000
98.85% 3.64 0.9345 12 4 1742 98.85% 3.64 0.9345 5 1.6688867 1742	98.85% 3.64 0.8945 5 1.66686667 28.85 1.0166 11	98.85% 3.64 0.9345 12 4 1742 96.95% 28.85 1.0186 11 1.6688867	Washington										3 5	0.000
98.63% 3.64 0.8345 12 4 1742 98.63% 5.64 0.8345 5 1.66666667 1742	98.53% 3.64 0.9945 12 4 1742 98.59% 28.85 1.0186 11 1.66688657	96.83% 3.64 0.9945 5 1.66686667 1742 95.95% 28.85 1.0196 11	Ville									0	20	0.000
98.83% 3.64 0.9345 12 4 1742 98.83% 3.64 0.9345 5 1.66668667 7	98.63% 3.64 0.8945 5 1.666686667 1742 28.85 1.0166 11	98.83% 3.64 0.9345 5 1.66696667 95.95% 28.85 1.0198 11	Shiri									0	7	0.000
98.83% 3.64 0.9345 12 4 1742 0.	98.83% 3.64 0.9345 12 4 1742 0. 96.95% 28.85 1.0196 11	96.83% 3.64 0.9345 12 4 1742 0. 95.95% 28.85 1.0186 11 1.66688667									3	4		
98.63% 3.64 0.9345 5 1.66696667 1742 0.	98.83% 3.64 0.9345 5 1.66668667 0.9345 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	98.83% 3.64 0.9345 5 1.66666667 0.9345 1 1.0186 11	TOTALS								5 5			
05 050, 20 05 100, 20	96.95% 28.85 1.0186 11	96.95% 28.85 1.0196 11	otals with Countywide			00000		2			12	4	1742	0.007
20.000	28.85 1.0196 11	95.95% 26.85 1.0196 11	Countywide			98.83%		3.64		0.9345	o	1.66666667		
20.00			GROUP (countywide)			96.95%		28.85		1.0196	1			

7.000				011	· · · · · · · · · · · · · · · · · · ·			ø			
Township	Group	Median	DLGF Calculated	COD	DLGF Calculated	PRO	DLGF Calculated PRD	Sales Used			Sales Used / Parcels
.ass						T			per year	# of Parcels	
Center	П								0 0	52 ~	0.000
linton	Ī								0		0.000
oolspring									0	30	0.000
Galena									0	2	0.000
Hanna									0		
udson	Ī						-		0		0.000
ohnson	Ī					T					
ankakee						T					
Lincoln							1		0 0	12	0.000
lichigan									٥١		
lew Durham									0		0.000
pagant									0		
rairie	Ī								0		0.000
cipio									0	.0	
pringfield											0.000
rion									0		0.000
Wills									0		0.000
										0	
CBOILE								0	0	276	0.000
ROUP	I		98.38%		1.679609251		15.87811681	12			
								# of Vents		200	
Vacant Industrial			Fr	om Submi	From Submitted Study			-			•
ownship	Group #	Median	DLGF Calculated Median	. CO	DLGF Calculated COD	R	DLGF Calculated PRD	Sales Used	1	# of Branch	Sales Used / Parcels
Cass									per year 0	# of Parcels	. 0.000
enter									0	35	0.000
nolection									0	5	0.000
Constitution									. 0	16	0.000
alena									0	0	
anna									000	0	
udson									000	0 4	
hnson	L								٥	0(
Rankakee	L								0	16	0.000
Chican									0	2	0.000
w Durham	1								0	213	0.000
ble									0	-	0.000
easant									0	0	
airie									0	6	0.000
ipio							-		0 0	0	
ringfield										• 0	0.000
Union										-	0.000
Washington										36 3	0.000
									200	90	0.000
	L								0	-	
GROUP (countravide)	L							0	0	337	0.000
RUOP											

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE PHONE (317) 232-3775 FAX (317) 232-8779



INDIANA GOVERNMENT CENTER NORTH 100 NORTH SENATE AVENUE N1058 (B) INDIANAPOLIS, IN 46204

MEMORANDUM

TO:

LaPorte County Assessor, Shaw Friedman, and Thomas Atherton

FROM:

David Schwab, Assessment Division

DATE:

April 10, 2008

SUBJECT:

Evaluation of Horizontal Equity Between Sold and Unsold Parcels in LaPorte Co.

Summary

- An independent evaluation of LaPorte County reveals that in 9 out of 19 tested townships, sold residential-improved parcels were assessed differently than unsold residential-improved parcels.¹
- The townships at issue are: Center, Galena, Hanna, Kankakee, Michigan, New Durham, Scipio, Springfield, and Washington.
- With three exceptions, these results agree with the findings of Robert Denne published in "Sales Chasing in LaPorte County for Pay 2007 Assessments."
- These findings constitute a significant violation of the IAAO standard regarding horizontal equity in property assessment (1999 IAAO Standard on Ratio Studies, Standard 10); and thus, a violation of 50 IAC 21-3-1.

Method

This study compared the percentage change in assessed value for two groups of parcels in LaPorte County: (1) those parcels used in the original ratio study, and (2) all other parcels in the county which had not been sold since January 1, 2004². The comparison was done on the township level, and properties which were newly constructed or had changed in property class during the comparison years were not included. For expediency, only residential-improved properties were studied.

¹ The townships of Johnson and Prairie could not be tested due to a lack of sales data.

² The file with original ratio study data was "2006 LaPorte Ratio Study RESUBMITTED final 2_08_07 DLGF CALC.xls." The two other files were "2005_LaPorteParcels_AllOthers.xls" and "2006 LaPorteParcels AllOthers.xls."

The data for this study was obtained from two sources: (1) the approved ratio study of LaPorte County, which included 2005 as well as 2006 assessed values for sold properties; and (2) two datasets from the Department listing the assessed value for 2005 and 2006 of all unsold properties in LaPorte County. The parcel identifiers for each unsold parcel were matched to one another for 2005 and 2006 to ensure that the increase in assessment was accurately measured. This matching was done by computer with zero tolerance for error; all parcels in either year with no matches were excluded from further analysis.

Once the parcels had been matched, the percentage change in assessed value for both sold and unsold properties was calculated on a township basis. The mean, 5% trimmed mean, and median of this percentage were also calculated for each township.

In addition, as per the manual *Mass Appraisal of Real Property* and the 1999 IAAO Standard on Ratio Studies, Standard 10.3, a Mann-Whitney test was conducted on sold and unsold properties in each township to determine whether horizontal equity had been violated³. The Mann-Whitney test is widely used to determine whether differences in two populations of data can be attributed solely to random chance. It is a non-parametric test, meaning that it gives valid results regardless of the underlying distribution of data, and it is a comparatively low power test, meaning that it overlooks subtle differences which more sensitive tests might pick up on. It is certainly an appropriate test to use in this situation.⁴

Findings

Table 1 presents the mean, trimmed mean, and median percentage change in assessed value by township. The left part of the table presents these figures for all unsold parcels. The center part of the table presents the figures for sold parcels, while the right part of the table presents the difference between the two sets of figures. Large differences within a township indicate that sold and unsold parcels may have been assessed differently.

Figure 1 presents the same information graphically by comparing the mean assessed value from Table 1 for sold and unsold parcels by township. Again, large differences within a township indicate that sold and unsold parcels may have been assessed differently.

Finally, to ensure that any observed differences are not the result of random error and that the parcels were in fact assessed differently, Table 2 presents the results of a township-level Mann-Whitney test. This test compares the changes in assessed value for both sold and unsold properties and determines the probability that this change is due to random error. This probability is expressed as a p-value between 0 and 1, with a p-value of 0 indicating there is 0% chance that the difference is due to random error, and a p-value of 1 indicating there is 100% chance that the difference is due to random error.

³ Gloudemans, Robert J. 1999. Mass Appraisal of Real Property. International Association of Assessing Officers. Chicago: p. 295.

⁴ All statistical calculations were done in R 2.6.2 for Windows XP. The null hypothesis in all cases was "no difference between the two groups."

It is customary to express the p-value in terms of statistical confidence. The confidence level for a given test is found by subtracting the p-value from 1 and expressing the result as a percentage. Thus, if the p-value is .01, then the confidence level is (1 - .01 = 99%). This level indicates how confident we are that the results of the test are correct. In general, confidence levels of 95% or higher (that is, 1 chance of out 20 that the test is wrong) indicate that the test is accurate. On Table 2, townships where we can be at least 95% confident that sold and unsold properties were assessed differently are highlighted.

Comparison with the Denne Study

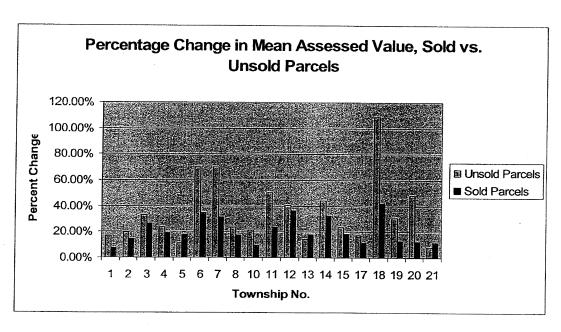
These results are very close to those reported by Robert Denne in his study "Sales Chasing in LaPorte County for Pay 2007 Assessments." Eight of the townships identified by Denne as having assessed sold and unsold properties differently—Center, Galena, Hanna, Kankakee, Michigan, Scipio, Springfield, and Washington—are also identified by this study.

In addition, although the Denne study does not identify New Durham Township as problematic, his confidence level for this township is 93.3%, which is very close to the 95% needed for statistical accuracy. The reverse occurs with Cass Township, which the Denne study calculates a confidence level of 95% while this study only finds 90%. These minor differences are probably the result of small differences in method and/or data between the two studies.

The one township where the two studies do not agree is Coolspring Township. Although the Denne study finds it problematic with 100% confidence, this study only records a 56.41% level of confidence that sold and unsold properties were treated differently. Further investigation is warranted to determine the source of this discrepancy.

Township	Mean	TrimmedMean) Median	Mean	3	Trimmed Mean	Medan	Mean	Trimmed Mean Medar	Medan Telan
)	15,620%	15 820%	7120/	72	8	0.150/ 1.00/	200	380		
Certer	19.69%	16.85% %	878%	14.	\$	ය 15%	1259%	524%		384%
Clinton	33.02%	33 02 %	21.75%	8	88	21.1%	2083%	670%	•	09%
Codspring	23,80%	20,28%	19.88%	190	8	18.04%	15,75%	4.79%		4.11%
Davey	10.93%	10.95%	-10.73%	180	88	15.58%	11.69%	-7.12%		-2242% -2242%
Glena	70.38%	67.52%	4872%	3,52	37%	29.46%	2217%	35,49%	_	2654%
Harna	70.01%	70.01%	7661%	31.2	\$	29.77%	27.11%	3859%		49.50%
Hudson	2355%	23.55%	13.08%	17.2	19	14, 19%	11.89%	609%		1.19%
Kankakee	21.39%	18.51%	1282%	96	\$	7.65%	4.73%	11.78%		8,09%
Lincoln	50.34%	50.34%	2281%	23/	5	21.74%	15.78%	2689%		7.03%
Mchigan	40.62%	38.53%	23.85%	33	28	33. 59 %	21.57%	4.37%		229%
NewDurtram	13.88%	13,88%	13.44%	第 17.7	7%	17.07%	15,20%	-383%		-1.76%
Natie	44,48%	44.46%	31.10%	<u>بر</u> بر	1 7%	30,60%	27.82%	1203%	•	328%
Reasant	23.80%	21.58%	14.05%	1851%	25	17.34%	1607%	5.28%	4.24%	-202%
Sipo	17. 19%	16.97%	14.24%	11.6	% *	10.91%	10.74%	5.55%		351%
Springfield	108.88%	95,23%	45.30%	41.8	88	35.23%	1807%	67.00%	Ť,	27.23%
Liian	3062%	29.71%	15.20%	127	38	11.82%	9,000%	17.89%		6.11%
Washington	48.35%	48.35%	25.90%	124	0 %	11.18%	8,89%	35,88%		17.01%
Wils	8.12%	8.12%	8.70%	11.87%	57%	10.74%	895%	375%		-0259%

Table 1: Comparison of Percentage Changes in Assessed Values Between Sold and Unsold Parcels in Laporte County, By Township



Number	Township
1	Cass
2	Center
3	Clinton
4	Coolspring
5	Dewey
6	Galena
7	Hanna
8	Hudson
10	Kankakee
11	Lincoln
12	Michigan
13	New Durham
14	Noble
15	Pleasant
17	Scipio
18	Springfield
19	Union
20	Washington
21	Wills

Figure 1: Mean Percent Change in Assessed Value, Sold vs. Unsold Parcels

Township	Mann-Whitney p-value	Confidence Level
Cass	0.0974	90.26%
Center	10 a 10 010221 5 5	97.79%
Clinton	0.9104	8.96%
Coolspring	0.4359	56.41%
Dewey	0.5706	42.94%
Galena	0.0161	98.39%
Hanna	. 7. * 0.0000	100.00%
Hudson	0.9646	3.54%
Kankakee	0.0000	100.00%
Lincoln	0.5743	42.57%
Michigan .	0.0287	97.43%
New Durham	0.0203	97.98%
Noble	0.1500	85.00%
Pleasant	0.3101	68.99%
Saino .	0.0022	499 78%
Springfield.	<i>693,734</i> 110°0000 111	1210000%
Union	0.1418	85.82%
Washington	0.0094	99.06%
Wills	0.7303	26.97%

Table 2: Confidence Levels from Mann-Whitney Test, by Township

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH 100 NORTH SENATE AVENUE N1058(B) INDIANAPOLIS, IN 46204 PHONE (317) 232-3777 FAX (317) 232-8779

TO:

LaPorte County Assessor, Shaw Friedman, Thomas Atherton

FROM:

David Schwab, Assessment Division

DATE:

April 16, 2008

SUBJECT:

Evaluation of Effective Age Change Between Years 2005 and 2006 in Unsold

Residential Improved Dwellings in LaPorte County.

Summary

• An independent evaluation reveals that in Dewey Township the effective age of forty-one percent (41%) of residential dwellings was changed between 2005 and 2006 assessments.

- Eighty-five percent (85%) of these changes involved changing the effective age of dwellings constructed before the year 1950 to equal 1950.
- A significant number of changes in effective age were not found in the remaining townships in LaPorte County.

Method

Data for all unsold parcels in LaPorte County for the years 2005 and 2006 was obtained from the Department. This data was filtered to contain only residential-improved properties (code 510). In addition, because multiple structures were listed under the same parcel number, the data was also filtered to contain only structures classified as dwellings (improvement code DWELL). Thus, this study evaluates only residential-improved dwellings in LaPorte County which were not sold in the years 2005 or 2006.

Analysis took place at the township level. For each township, a computerized lookup in Microsoft Excel matched the 2005 effective age for a given parcel with the 2006 effective age for the same parcel. Parcels which were not present in both 2005 and 2006 were discarded from the study. In total, 147 of 31,480 parcels were discarded, leaving 31,333 parcels—99.6% of the total—to be analyzed.

After each parcel was matched, the effective age in 2005 for each parcel was compared to its effective age in 2006 using a computerized matching function. A new column labeled CHANGE? was created, and a value of 1 assigned to this column if the effective ages did not match. If they did match, a value of 0 was assigned to this column. For each township, the number of changed

parcels was summed and the percentage of changed parcels calculated. These figures are discussed further in the Findings section, below.

Findings

Table 1 presents the findings of this study. As can be seen, only Dewey Township stands out, with 122 out of 297 parcels -- 41% -- having their effective age changed between 2005 and 2006. Further investigation reveals that 104 of the 122 changed parcels -- 85% -- had a real construction year prior to the year 1950 changed during the 2006 assessment to an effective age of 1950. When these parcels are removed from analysis, the percentage change in effective age for Dewey Township falls to 5.1%.

Township	2005 Parcels	2006 Parcels	Changed Parcels	Percent Change
Cass	514		2	0.4%
Center	7695	7654	319	4.2%
Clinton	341	340	3	0.9%
Coolspring	3913	3849	34	0.9%
Dewey	298	297	122	* 414%
Galena	521	517	11	2.1%
Hanna	271	270	0	0.0%
Hudson	825	812	37	4.6%
Johnson	27	27	0	0.0%
Kankakee	1025	1025	17	1.7%
Lincoln	737	731	68	9.3%
Michigan	9554	9641	598	6.2%
New Durham	843	831	6	0.7%
Noble	451	441	5	1.1%
Pleasant	943	938	11	1.2%
Prairie	32	32	0	0.0%
Scipio	1176	1164	7	0.6%
Springfield	983	959	19	2.0%
Union	576	573	2	0.3%
Washington	313	307	3	1.0%
Wills	442	416	5	1.2%
Total	31480	31333	1269	4.1%

Table 1: Percent Change in Effective Age Between 2005 and 2006 Assessments for Unsold Residential Dwellings in LaPorte County, by Township